



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development & Tourism

before the
HOUSE COMMITTEE ON FINANCE

Tuesday, April 7, 2015
2:30 p.m.
State Capitol, Conference Room 308

in consideration of
SB 1158, SD1
RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR
EXPLORATION SYSTEMS SPECIAL FUND.

Chair Luke, Vice Chair Nishimoto, and Members of the Committee.

The department offers comments on this bill to establish a special fund for the operation, maintenance, and management of the Pacific International Space Center for Exploration Systems' (PISCES') projects, facilities, services, and publications.

PISCES was established to attract and retain aerospace investment in the State, as well as to help bridge the gap between the public and private sector in aerospace-related activities. The Legislature also has asked PISCES to work toward self-sufficiency. However, at this time, PISCES only has the ability to receive and spend funding allocated within in the Hawaii State budget, and does not have a mechanism to receive or spend funds from any other source.

PISCES needs a way to accept and use money that will potentially come from four different sources: (1) project level work for users of PISCES analog test sites (e.g., related to the Hi-Seas nutritional test, Google Lunar X-Prize Teams, and robotic testing in lava pits and skylights); (2) grants, cooperative agreements and contracts awarded to PISCES by the National Aeronautics and Space Administration (NASA), the National Science Foundation (NSF), Hawaii

County, and other government sources; (3) contributions and sponsorships from private and corporate sponsors, as well as individual donors; and (4) revenue from the operation of PISCES' future Aerospace Research Park, the performance of miscellaneous support services, and/or the sale of publications or products.

PISCES has found it especially challenging to accept money from non-State sources, and there have been cases where the Center has had to forego revenue because it could not respond within the performance period of the available funding. As such, it is most important that a ready and available conduit for accepting and expending funds from non-State sources be identified for this Center.

DBEDT defers to the Department of Budget and Finance on the appropriateness of creating a special fund for the four purposes in Section 2 of this measure.

Thank you for the opportunity to testify on this bill.

DENNIS "FRESH" ONISHI
Council Member
District 3



PHONE: (808) 961-8396
FAX: (808) 961-8912
EMAIL: donishi@co.hawaii.hi.us

HAWAI'I COUNTY COUNCIL
25 Aupuni Street, Hilo, Hawai'i 96720

April 6, 2015

The Honorable Sylvia Luke, Chair
and Members of the House Committee on Finance

Dear Chair Luke, Vice Chair Nishimoto and Members of the Committee,

Thank you for the opportunity to submit testimony in support of Senate Bill No. 1158, S.D.1, establishing a special fund for the operation, maintenance and management of PISCES' projects, facilities, services, and publications.

Hawai'i is in a prime position to leverage our State's unique geography and the resources and capabilities available at PISCES to secure a major role in the maturation and utilization of these pioneering technologies.

With the proposed Thirty Meter Telescope and the visionary work being done through PISCES, the State of Hawai'i has a unique opportunity to make long term investments toward a fast paced, non-stop, growing aerospace industry.

Thank you for your consideration and for the opportunity to provide testimony in support of this measure

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Onishi", written over a horizontal line.

Dennis "Fresh" Onishi
Hawai'i County Council Member

HENK B. ROGERS

55 Merchant Street
Honolulu, HI, 96813

TESTIMONY IN SUPPORT OF:

SB1158– RELATING TO THE PACIFIC INTERNATIONAL SPACE
CENTER FOR EXPLORATION SYSTEMS (PISCES) SPECIAL FUND.

Dear Members of the 28th Hawaii State Legislature,

I am writing in support of the passage of SB1158, which establishes a PISCES Special Fund.

PISCES was established to attract and retain aerospace investment in the State and to bridge the gap between the public and private sector. The Legislature has also asked PISCES to work toward self-sufficiency. However, at this time, PISCES only has the ready ability to receive and spend funding allocated in the Hawaii State budget. PISCES does not have a ready mechanism available to receive or spend funds from any other source.

PISCES needs a way to accept and use money that will potentially come from four different sources.

1. Project level work for users of PISCES analog test sites: Examples of projects in the recent past and near future are the HiSeas nutritional test, Google Lunar XPrize Teams, and robotic testing in pits/skylights.
2. Grants, cooperative agreements and contracts awarded: e.g. NASA, NSF, County government, and others.
3. Contributions/sponsorships from private/corporate sponsors and individual donors: For example, a corporation or individual may wish to sponsor an X Prize team by contributing to their travel to Hilo for analog site testing of their equipment.
4. Revenue from the operation of the future Aerospace Research Park, performance of miscellaneous support services, or sale of publications or products.

PISCES has found it so difficult to accept money from non-State sources that there have been cases where it has had to forego revenue because it could not react within the performance period of the funding available. In a recent case where County funds were allocated to PISCES, it took nearly seven (7) months from the receipt of the check from the County to the moment when the funds were available for PISCES use. This was over half of the performance period of the grant.

It is of paramount importance that a ready and available conduit for accepting and expending funds from non-State sources be identified. Your affirmative consideration of this bill will be deeply appreciated.

Mahalo,

A handwritten signature in black ink, appearing to read 'Henk B. Rogers', with a long horizontal line extending to the right.

Henk B. Rogers
Entrepreneur

Chairman, Blue Planet Software
Managing Director, The Tetris Company
Chairman, Blue Planet Foundation
Founder, Blue Startups
Chairman, PISCES
Director, East West Center Foundation
Honorary Consul to Hawaii, the Kingdom of the Netherlands
Member, Broadband Task Force

finance1-Kim

From: mailinglist@capitol.hawaii.gov
Sent: Friday, April 03, 2015 6:45 AM
To: FINTestimony
Cc: robertl@oha.org
Subject: *Submitted testimony for SB1158 on Apr 7, 2015 14:30PM*

SB1158

Submitted on: 4/3/2015

Testimony for FIN on Apr 7, 2015 14:30PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Robert K. Lindsey, Jr.	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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finance1-Kim

From: mailinglist@capitol.hawaii.gov
Sent: Friday, April 03, 2015 6:42 AM
To: FINTestimony
Cc: kamakane73@gmail.com
Subject: *Submitted testimony for SB1158 on Apr 7, 2015 14:30PM*

SB1158

Submitted on: 4/3/2015

Testimony for FIN on Apr 7, 2015 14:30PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Kama Hopkins	Individual	Support	No

Comments:

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Pauline Roth
HC3 Box 13581
Kea'au, HI 96749

TESTIMONY IN SUPPORT OF:

SB1158– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS
(PISCES) SPECIAL FUND.

Dear Members of the 28th Hawaii State Legislature,

I am writing in support of the passage of SB1158, which establishes a PISCES Special Fund.

PISCES was established to attract and retain aerospace investment in the State and to bridge the gap between the public and private sector. The Legislature has also asked PISCES to work toward self-sufficiency. However, at this time, PISCES only has the ready ability to receive and spend funding allocated in the Hawaii State budget. PISCES does not have a ready mechanism available to receive or spend funds from any other source.

PISCES needs a way to accept and use money that will potentially come from four different sources.

1. Project level work for users of PISCES analog test sites: Examples of projects in the recent past and near future are the HiSeas nutritional test, Google Lunar XPrize Teams, and robotic testing in pits/skylights.
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It is of paramount importance that a ready and available conduit for accepting and expending funds from non-State sources be identified.

Your affirmative consideration of this bill will be deeply appreciated.

Mahalo,



Pauline Roth

LATE

WRITTEN ONLY

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 1158, S.D. 1

April 7, 2015

RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR
EXPLORATION SYSTEMS SPECIAL FUND

Senate Bill No. 1158, S.D. 1, establishes the Pacific International Space Center for Exploration Systems (PISCES) special fund for the operation, maintenance, and management of the PISCES projects, facilities, services, and publications within the Office of Aerospace in the Department of Business, Economic Development and Tourism (DBEDT).

The Department of Budget and Finance (B&F) defers to DBEDT regarding the merit of the bill; however, as a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, Hawaii Revised Statutes (HRS). Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to Senate Bill No. 1158, S.D. 1, it is difficult to determine whether the fund will be self-sustaining.

I encourage the Legislature to review the fiscal and operational plan for this program to ensure that it does conform to the requirements of Section 37-52.3, HRS.